

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 11-27

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 11-17

Date: June 14, 2011

A BILL to authorize and empower Harford County, Maryland to borrow, on its full faith and credit, and issue and sell its bonds or other form of indebtedness therefor, in an amount not to exceed Nineteen Million Forty-Five Thousand Dollars (\$19,045,000) principal amount, the proceeds thereof to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain water and sewer system projects as described in the Annual Budget and Appropriation Ordinance, as amended, Bill No. 11-19, for the year ending June 30, 2012 and as described in this Bill (collectively the "Projects") in accordance with Section 524 of the Charter of Harford County ("Charter") and Section 123-40 and 256-26 of the Code of Harford County ("Code") or as otherwise permitted by law; authorizing the County

By the Council, June 14, 2011

Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011

at: 6:00PM

By Order: Mary Kate Fleby, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on July 12, 2011, and concluded on July 12, 2011.

Mary Kate Fleby, Acting Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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BILL NO. 11-27

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Council of Harford County, Maryland to adopt an administrative resolution that shall provide for the form of instrument by which any indebtedness or financing obligation is to be evidenced, the manner by which any indebtedness, line of credit, financing lease or similar obligation may be secured and the rate(s) of interest to be paid, and generally for such other matters as may be deemed appropriate by the County Council of Harford County, Maryland in connection therewith and authorizing the County Executive of Harford County, Maryland by Executive Order, to determine the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of any evidences of indebtedness, the payment of all necessary expenses in connection therewith, the method by which

By the Council, June 14, 2011

Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011

at: 6:00 PM

By Order: _____, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Acting Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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such evidences of indebtedness shall be sold, maturity schedule, and redemption provisions; authorizing the appointment of certain agents; and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for the issuance of bond anticipation notes upon passage of a resolution by the County Council of Harford County, Maryland approving the interest rate or rates on said bond anticipation notes for all or a portion of the Projects described herein, for which the proceeds of sale of the bond anticipation notes shall be used; providing that after the issuance of the bond anticipation notes (or other form of indebtedness), or any renewal thereof, the County Council of Harford County, Maryland shall authorize the issuance of bonds to pay said bond anticipation notes (or other form of indebtedness);

By the Council, June 14, 2011

Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011

at: 6:00 PM

By Order: _____, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Acting Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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providing that upon written recommendation of the County Executive and resolution of the County Council of Harford County, Maryland, all or a portion of the indebtedness authorized herein may be incurred pursuant to loans or evidence of indebtedness with the Maryland Water Quality Financing Administration ("Administration"); providing for disbursement of the proceeds of the sale of such bonds and for the levying of charges, assessments and all taxes necessary to provide payment of the principal and interest on such bonds; providing that certain additional matters may be determined by resolution of the County Council of Harford County, Maryland or may be reserved unto the County Executive as prescribed by such resolution; providing the method of fixing the interest rates to be borne by such bonds and generally providing for and determining various matters in connection therewith; and generally relating to funding of certain water and sewer capital projects.

By the Council, June 14, 2011

Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011

at: 6:00 PM

By Order: _____, Acting Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Acting Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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1 WHEREAS, in accordance with the provisions of Section 406 of the Charter of Harford
2 County, the Director of Planning has heretofore transmitted to the County Executive the
3 recommendations of the Planning and Advisory Board for certain Capital Improvements; and

4 WHEREAS, in accordance with the provisions of Section 505 of the Charter of Harford
5 County, the County Executive has reviewed such recommendations in light of the existing capital
6 programs and the County Executive and the Director of Administration have included such
7 recommendations for capital improvements, as amended, in the proposed Capital Program which has
8 been submitted to the County Council of Harford County, Maryland and the County Council of
9 Harford County, Maryland has adopted a Capital Program and Capital Budget for the year ending
10 June 30, 2012, pursuant to Bill No. 11-19, As Amended; and

11 WHEREAS, upon request of the County Executive and Resolution of the County Council of
12 Harford County, Maryland, Harford County may sell bond anticipation notes in an amount not
13 greater than the amount of bonds authorized herein, in anticipation of the subsequent sale of the
14 bonds, for all or a portion of the cost of the projects described herein in accordance with the
15 provisions of Article 31, Section 12 of the Annotated Code of Maryland (2002 Volume, 2010
16 Supplement); and

17 WHEREAS, as a part of the said Capital Program and the said Capital Budget, it is necessary
18 that Harford County, Maryland, borrow a sum not exceeding Nineteen Million Forty-Five Thousand
19 Dollars (\$19,045,000) to be used to finance the cost of the acquisition, construction, reconstruction,
20 improvement, extension, site acquisition, architectural and engineering services, and furnishings and
21 equipment for the Projects, including financial, legal and planning expenses related thereto; and

22 WHEREAS, the County Council of Harford County, Maryland has authority to incur debts on
23 behalf of Harford County, Maryland; and

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1 WHEREAS, the County Council of Harford County, Maryland is hereby authorized to enact
2 a Bill adopted in accordance with Section 524 of the Charter of Harford County and other applicable
3 provisions of law providing for the issuance and sale and for the designation, form, tenor,
4 denomination, maturities, and the interest rates payable on any bonds or other form of indebtedness
5 issued under this Bill; and to levy annually *ad valorem* taxes upon the assessable property within the
6 County sufficient, together with other taxes and other available funds, to provide for the payment of
7 the interest on and principal of any bonds so issued; and

8 WHEREAS, the proposed bond issue or other form of indebtedness is within the legal
9 limitation on the indebtedness of Harford County, Maryland; and

10 WHEREAS, it is necessary to provide funds for the construction, reconstruction,
11 improvement, extension, acquisition, alteration, repair and modernization, the cost of acquiring any
12 sites, making site improvements, architectural and engineering services, including preparation of
13 plans, drawings and specifications, the development of the grounds and landscaping thereof,
14 financial, legal and planning expenses and all customary appurtenances and equipment for the
15 Projects; and

16 WHEREAS, after written recommendation of the County Executive, public hearing and
17 affirmative vote of at least four (4) members of the County Council of Harford County, Maryland,
18 the capital budget authorizing the Projects has been amended and adopted; and

19 WHEREAS, the financing or indebtedness herein authorized, including the aggregate
20 principal amount of bonds or other indebtedness in an amount not to exceed Nineteen Million Forty-
21 Five Thousand Dollars (\$19,045,000), and interest rate(s), shall be evidenced and incurred pursuant
22 to a resolution or resolutions ("Resolution") to be adopted by the County Council of Harford County,

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Maryland upon written recommendation of the County Executive, pursuant to this Bill and other terms of sale, including, but not limited to, maturity schedule, redemption provisions, form of bond and date of sale shall be determined by the County Executive of Harford County, Maryland, by Executive Order; and

WHEREAS, as an alternative to the indebtedness authorized herein, Harford County, Maryland may incur all or a portion of such indebtedness with the Administration.

NOW, THEREFORE, IN ACCORDANCE WITH THE PROVISIONS OF THE CHARTER, THE CODE AND THE LAWS OF THE STATE OF MARYLAND:

SECTION 1. Be it enacted by the County Council of Harford County, Maryland that, acting pursuant to the authority of the Charter, the Code and the laws of the State of Maryland, Harford County, Maryland (the "County") hereby authorizes and approves the incurring of debt or the payment of purchase price or rental installments for the purpose of financing a portion of the capital cost of capital equipment, improvements, extensions, modifications, alterations, or any combination thereof to the property of the County, including water and sewer systems in the County; together with the acquisition of all necessary property rights and equipment, and all related architectural, financial, legal, planning, design and engineering expenses associated with such capital equipment, improvements, extensions, modifications or alterations including:

<u>Project</u>	<u>Amount to be Borrowed</u>
Abingdon WTP Expansion	\$2,000,000
City of Baltimore – Deer Creek Pump Station	\$3,700,000
City of Baltimore Raw Water Supply	\$3,300,000
Bynum Run Parallel 6&7	\$620,000
ENR Refinement at Sod Run	\$8,600,000
Harford Estates Pump Station Abandonment	\$130,000
Sod Run WWTP – Sludge Pad Cover	\$695,000

TOTAL

\$19,045,000

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1
2
3 The principal amount of indebtedness to be incurred hereunder shall not exceed Nineteen Million
4 Forty-Five Thousand Dollars (\$19,045,000).

5 SECTION 2. And be it further enacted by the County Council of Harford County, Maryland
6 that prior to the issuance, sale and delivery of any bonds, bond anticipation notes, notes, evidences of
7 indebtedness, line of credit, financing lease or installment purchase obligation in reliance on this Bill,
8 the County Council of Harford County, Maryland shall (without limitation) determine
9 administratively in the Resolution:

10 (a) the form of instruments or agreements by which the debt or financing
11 authorized herein shall be evidenced (including, but not limited to, bonds, bond anticipation notes,
12 notes (or other form of indebtedness), book entry, community participation bonds, letters of credit,
13 trust agreements, trust indentures, financing or installment purchase lease or similar financing
14 agreement, or participation in any "bond bank" or bond pooling arrangement administered by the
15 State of Maryland or a subsidiary entity of it);

16 (b) the manner, if any, by which any indebtedness or financing shall be secured
17 (including, but not limited to, a pledge of the revenues from the County's water and sewer system or
18 any other appropriate revenue stream, a letter or letters of credit, bond or other such insurance and a
19 pledge of the full faith and credit and unlimited taxing power of the County):

20 (c) the rate or rates of interest or method of determining such rate or rates; and

21 (d) whether the financing is to be accomplished by public sale, private
22 (negotiated) sale or by private placement.

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1 The Resolution shall be deemed to be of an administrative nature and shall be effective upon
2 the date specified in the Resolution.

3 SECTION 3. And be it further enacted by the County Council of Harford County, Maryland
4 that the County Executive of Harford County, Maryland shall determine the following matters by
5 Executive Order:

6 (a) the principal amounts, date, denominations, maturity payment provisions and
7 prepayment, tender and/or redemption provisions (if any) and other terms and conditions thereof;

8 (b) the substantially final form and contents and consent to the distribution (and
9 shall authorize the execution and delivery, where applicable) of various agreements and documents
10 as are necessary to implement the financing authorized herein, including, but not limited to, a
11 Preliminary Official Statement and/or an Official Statement, and in the event any evidence of
12 indebtedness is sold through competitive bidding, a Notice of Sale, and in the event any evidence of
13 indebtedness is sold by private (negotiated) sale, a Purchase Contract with the Underwriter(s)
14 thereof, and if any indebtedness is issued in book entry form, securities depository agreements,
15 (collectively the "Documents"), required for the issuance, sale and delivery of any evidence of
16 indebtedness or the completion of the financing authorized herein, which Documents shall contain
17 such provisions as may be required by law or to consummate the financing authorized herein;

18 (c) the manner in which any evidence of indebtedness, lease financing or
19 installment purchase obligation shall be executed, sealed and attested (which may be by facsimile
20 signature and/or seal);

21 (d) provision for the payment of all necessary expenses of preparing, printing and
22 selling any evidence of indebtedness and the Documents including, without limitation, any and all

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1 costs, fees and expenses incurred by or on behalf of the County in connection with the authorization,
2 issuance, sale and delivery of any bonds or notes, and all costs incurred in connection with the
3 development of the Documents, including the fees of counsel to the County, and compensation to
4 any persons (other than full-time employees of the County) or entities performing services for or on
5 behalf of the County in connection therewith and in connection with all other transactions
6 contemplated by this Bill regardless of whether the proposed financing is consummated;

7 (e) the name or designation of the indebtedness, provided that unless otherwise
8 designated, the indebtedness shall be known as Harford County Water and Sewer Bonds, Series
9 2011;

10 (f) such other matters in connection with the consummation of the financing
11 transactions contemplated by this Bill as may be deemed appropriate by the County Executive of
12 Harford County, Maryland, including (without limitation) the appointment of agents (including, but
13 not limited to, trustees, paying agents, indexing agents and/or registrars) in connection with the
14 financing, the execution, acknowledgment, sealing and delivery of such other and further
15 agreements, documents and instruments, and the authorization of the officials of the County to take
16 any and all actions, as are or may be necessary or appropriate to consummate the transactions
17 contemplated by this Bill in accordance with the terms hereof and of the Resolution.

18 The Executive Order shall be effective upon the date specified in the Executive Order.

19 SECTION 4. And be it further enacted by the County Council of Harford County, Maryland
20 that authority is hereby conferred respectively on the County Executive of Harford County, Maryland
21 (the "County Executive"), the Director of Administration, the Treasurer, the County

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1 Attorney and the Council Administrator of the County Council of Harford County, Maryland, or any
2 of them, and they are hereby directed to take the following actions on behalf of the County:

3 (a) to execute, acknowledge, seal and deliver the Documents substantially in the
4 forms determined administratively by the County Council of Harford County, Maryland in the
5 Resolution; and

6 (b) to execute, acknowledge, seal and deliver such other and further certificates,
7 certifications, agreements, documents and instruments and take such other acts as they or any one or
8 more of them may deem necessary or appropriate to consummate the transactions contemplated by
9 this Bill in accordance with the provisions hereof and of the Resolution.

10 SECTION 5. And be it further enacted by the County Council of Harford County, Maryland
11 that the Treasurer, or his authorized deputy, is hereby authorized and empowered to prepare and
12 distribute copies of the Documents to any person who may, in his judgment, be interested in
13 participating in the financing of the Projects or who may request the same or information with
14 respect thereto; provided, however, that any preliminary official statement and related material shall
15 be clearly marked to indicate that they are subject to completion and amendment.

16 SECTION 6. And be it further enacted by the County Council of Harford County, Maryland
17 that the County intends to provide funds for payment of principal of, premium (if any) and interest
18 on the bonds, or other indebtedness, from certain funds related to operation of the water and sewer
19 systems of the County. These funds include area connection charges, special assessments, user
20 surcharges, system development fees, certain depreciation reserves relating to depreciation of the
21 water and sewer systems, a portion of the recordation tax received by the County as provided in

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1 Resolution No. 21-82 adopted by the County Council of Harford County, Maryland on May 11,
2 1982 and earnings on the above-described funds.

3 To the extent any of the above-described funds is specifically designated for payment of debt
4 service on bonds, or other indebtedness, issued to acquire or construct improvements to the water
5 and sewer systems of the County, by the legislation establishing the tax, assessment, surcharge or
6 other source of revenue so designated, and so long as such tax, assessment, surcharge or other
7 revenue source remains so designated and levied by the County, the County hereby covenants to
8 apply all such designated revenues to payments of debt service on bonds or other indebtedness issued
9 to acquire or construct improvements to the water and sewer systems of the County, including the
10 bonds or other indebtedness.

11 In the event that the funds described in this Section 6 (whether or not designated for water
12 and sewage system bond debt service) fail to provide sufficient funds at any time while any of the
13 bonds or other indebtedness are outstanding for the purpose of paying principal of, premium (if any)
14 and interest on the bonds or other indebtedness, when due and payable, the County hereby covenants
15 and agrees, with each of the holders, from time to time, of any of the bonds or other indebtedness,
16 that it shall promptly cause to be levied against all assessable property within the County annually,
17 so long as any of the bonds or other indebtedness are outstanding and not paid, an *ad valorem* tax
18 sufficient in rate and amount to provide for payment of such principal of, premium (if any) and
19 interest on the bonds or other indebtedness when due. Such tax shall be levied in accordance with
20 the Charter. The County, by the passage of this Bill, hereby covenants and agrees properly and
21 promptly to perform all of the respective acts and duties defined in the Charter for the levy and
22 collection of the aforesaid *ad valorem* tax upon all the assessable property within the corporate limits

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1 of the County, as the levy and collection of such a tax becomes necessary in order to provide for the
2 payment of principal of, premium (if any) and interest on the bonds or other indebtedness.

3 SECTION 7. And be it further enacted by the County Council of Harford County, Maryland
4 that if the County Council of Harford County, Maryland determines in the Resolution that it is in the
5 best interests of the County to sell any evidence of indebtedness or lease financing or installment
6 purchase obligation by private (negotiated) sale, the County Council of Harford County, Maryland
7 hereby authorizes (a) the appointment of an underwriter (the "Underwriter") in connection with the
8 sale thereof, and (b) the payment by the County to the Underwriter out of the proceeds of the sale
9 thereof or otherwise for services rendered in connection therewith, such compensation to be
10 determined in the Resolution.

11 SECTION 8. And be it further enacted by the County Council of Harford County, Maryland
12 that the County Executive is hereby authorized and empowered for and on behalf of the County (a)
13 to cause the preparation, printing, execution and delivery of the Documents, each substantially in the
14 form provided in the Resolution or in the Executive Order of the County Executive, with such
15 modifications, supplements or amendments thereto as may be recommended by counsel; and (b) to
16 do all such things as may be necessary or desirable in the opinion of the County Executive in
17 connection therewith.

18 SECTION 9. And be it further enacted by the County Council of Harford County, Maryland
19 that nothing herein contained shall authorize the expenditure of County funds until such time as such
20 expenditure shall have been appropriated by the County Council of Harford County, Maryland, and
21 this Bill shall not be construed as authorizing or approving any project not otherwise authorized or
22 approved by all appropriate legal authorization.

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1 SECTION 10. And be it further enacted by the County Council of Harford County, Maryland
2 that unless changed by the Resolution or the Executive Order, if the indebtedness herein authorized
3 is represented by bonds: (a) the bonds shall be issued pursuant to the authority of this
4 Bill and shall be dated December 1, 2011; (b) the bonds shall be issued in the denominations of Five
5 Thousand Dollars (\$5,000) or any integral multiple thereof, and shall be numbered from one (1)
6 consecutively upward in the order of their maturities. The bonds shall mature over a period not to
7 exceed twenty (20) years from their date in twenty (20) annual serial installments beginning in the
8 year 2012 and ending in the year 2031. The bonds shall mature on December 1 in each of said years
9 as follows: Nine Hundred Fifty Thousand Dollars (\$950,000) in each of the years 2012 through
10 2030, inclusive and Nine Hundred Ninety-Five Thousand Dollars (\$995,000) in of the year 2031.
11 The term and maturity schedule of the bonds or other indebtedness may be changed, increased or
12 decreased upon Executive Order of the County Executive, but the aggregate principal amount of
13 indebtedness to be incurred shall not exceed Nineteen Million Forty-Five Thousand Dollars
14 (\$19,045,000).

15 SECTION 11. Be it further enacted by the County Council of Harford County, Maryland
16 that if the indebtedness herein authorized is represented by bonds, the bonds shall bear interest at the
17 rate or rates named by the successful bidder for the bonds in accordance with the Notice of Sale
18 hereinafter set forth, as may hereafter be amended, upon written recommendation of the County
19 Executive, by administrative resolution of the County Council of Harford County, Maryland, and
20 said interest shall be payable semiannually on the first days of August and February in each of the
21 years that the bonds are outstanding. Interest on the bonds will be payable by check or draft of the
22 Paying Agent mailed to the registered owners thereof. The bonds, when issued, shall be executed in

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1 the name of Harford County, Maryland, by the facsimile signature of the County Executive, and a
2 facsimile of the corporate seal of the County shall be imprinted on each of the bonds attested by the
3 facsimile signature of the Director of Administration of Harford County and the manual signature of
4 an authorized officer of the Bond Registrar. The facsimiles of said signatures and said seal shall be
5 engraved, printed or lithographed on each of the bonds in accordance with, and pursuant to the
6 authority of Sections 2-301 through 2-306 inclusive of the State Finance and Procurement Article of
7 the Annotated Code of Maryland (2002 Volume, 2010 Supplement). If the indebtedness is
8 represented by bonds, the bonds shall be subject to registration as to principal and interest, in the
9 name or names of the owner or owners thereof on books kept for that purpose at the principal office
10 of the Bond Registrar and the principal of the bonds shall be payable upon presentation and surrender
11 thereof at the principal office of the Paying Agent or the ownership of the indebtedness may,
12 pursuant to Executive Order of the County Executive, be maintained by a book entry system. The
13 Bond Registrar and Bond Paying Agent shall be determined by Executive Order of the County
14 Executive. Payment of interest on the bonds shall be made by the Paying Agent on each payment
15 date, to each person appearing on the registration books of the County, maintained by the Bond
16 Registrar, as the registered owner thereof, by check or draft mailed to each such registered owner at
17 his or her address as it appears on such registration books. There shall be printed on each bond the
18 text of the approving legal opinion of bond counsel with respect to the bonds. Except as provided
19 hereinafter or in an Executive Order of the County Executive prior to the issuance of the bonds, if the
20 indebtedness authorized herein is represented by bonds, the bonds shall be in substantially the
21 following form, which form, together with all covenants and conditions therein contained, is hereby
22 adopted by the County Council of Harford County, Maryland as and for the form of obligation to be

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1 incurred by Harford County, and said covenants and conditions, including the promise to pay therein
2 contained, are hereby made binding upon the County, in accordance with the endorsement on said
3 bonds:

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1 UNITED STATES OF AMERICA

2 STATE OF MARYLAND

3 HARFORD COUNTY, MARYLAND

4 HARFORD COUNTY WATER AND SEWER BONDS, SERIES 2011

5 No.

No.

6 Registered Owner:

7 \$5,000

\$5,000

8 (Dated December 1, 2011)

9 HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and existing under
10 the Constitution and laws of the State of Maryland, hereby acknowledges itself indebted and, for
11 value received, promises to pay to the registered owner or registered assignees of this bond, the
12 principal sum of FIVE THOUSAND DOLLARS (\$5,000)

13 on _____,

14 upon presentation and surrender of this bond and to pay interest thereon, from the date of this bond at
15 the rate of _____ percent (____%) per annum until payment of said principal sum, such interest to
16 the maturity hereof being payable on _____, 2012, and semiannually thereafter on the first days of
17 June and March in each year by check or draft of the Paying Agent (hereinafter described) mailed to
18 the registered owners of record as interest becomes due and payable.

19 Both the principal of and interest on this bond will be paid in lawful money of the United
20 States of America, at the time of payment, at the principal office of _____, Baltimore,
21 Maryland ("Paying Agent").

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1 This bond shall be registered in the name of the owner on the registration books kept for that
2 purpose at the principal office of _____, Baltimore, Maryland ("Bond Registrar"), and
3 such registration shall be noted on the back of this bond, after which no transfer hereof shall be valid
4 unless made on the said registration books by the registered owner hereof in person or by his duly
5 authorized attorney, and similarly noted on this bond. The County, Bond Registrar and Paying
6 Agent may deem and treat the person in whose name this bond is registered as the absolute owner
7 hereof for all purposes. This bond, upon surrender hereof at the principal office of the Bond
8 Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by
9 the registered owner hereof, or his (her) duly authorized attorney, may, at the option of the registered
10 owner hereof, be exchanged for an equal aggregate principal amount of bonds of authorized
11 denominations and of the same form and tenor as this bond. For every such exchange or transfer of
12 bonds, the County or the Bond Registrar shall make a charge for any tax or other governmental
13 charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by
14 the registered owner requesting such exchange or transfer as a condition precedent to the exercise of
15 such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of
16 bonds during the fifteen (15) days next preceding an interest payment date on the bonds, or in case of
17 any proposed redemption of bonds, during the fifteen (15) days next preceding the date of the
18 publication of notice of such redemption, and the record date for payment of principal and interest
19 shall be December 31 and June 30 in each year. The Bond Registrar shall not be required to make
20 any transfer or exchange of any bonds called for redemption.

21 This bond is one of a duly authorized issue or series of bonds aggregating Nineteen Million
22 Forty-Five Thousand Dollars (\$19,045,000) in principal amount, which are of the denomination of

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1 Five Thousand Dollars (\$5,000) or integral multiples thereof. These bonds mature serially in
2 installments on the first day of December in each of the years 2012 to 2031, inclusive, as follows:
3 Nine Hundred Fifty Thousand Dollars (\$950,000) in each of the years 2012 through 2030, inclusive,
4 and Nine Hundred Ninety-Five Thousand Dollars (\$995,000) in the year 2031. These bonds are
5 numbered from one (1) consecutively upwards in the order of their maturities, are of like tenor
6 except as to maturity, number and interest rate, are issued pursuant to and in full conformity with the
7 provisions of the Charter of Harford County, as amended, and by virtue of due proceedings had and
8 taken by the County Council of Harford County, Maryland particularly Bills enacted on _____,
9 2010, entitled Bill No. 10-____ and _____, on _____, entitled Bill No. 11-____,
10 and a Resolution adopted on _____, 2011.

11 The full faith and credit and unlimited taxing power of Harford County, Maryland, is pledged
12 to the punctual payment of the principal of and interest on this bond according to its terms, and said
13 County covenants and agrees punctually to pay the principal of this bond and the interest thereon, at
14 the dates and in the manner mentioned herein.

15 The bonds of the issue which mature on or before _____, are not subject to
16 redemption prior to their maturities. The bonds which mature on or after _____
17 shall be subject to redemption as a whole at any time or in part on any interest payment date, and in
18 any order of maturity, at the option of the County on _____, or on any redemption date
19 thereafter upon notice of call for redemption given to the registered owner thereof as shown on the
20 books of the Bond Registrar, or by publication at least thirty (30) days prior to the date of redemption
21 in a newspaper published and circulating in Harford County and in the City of Baltimore, Maryland,
22 and also in a financial newspaper published and circulating in the City of New York, New York, at a

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redemption price, expressed as a percentage of the principal amount of the bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption.

Date of Redemption

Optional Redemption Price

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds to be redeemed shall be selected by lot by _____, _____, _____, Paying Agent.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity and neither the members of the County Council of Harford County, Maryland nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter and Code of Harford County and the Bill and Resolution above referred to, and that the issue of bonds of which this is one, together with all other indebtedness of Harford County, Maryland, is within every debt and other limit prescribed by the Constitution and laws of said State and the Charter and Code of Harford County, and that due provision has been made for the levy and collection, if and when necessary, of an annual *ad valorem*

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1 tax or taxes upon all the legally assessable property within the corporate limits of Harford County,
2 Maryland, as prescribed by law, in rate and amount sufficient to provide for the payment, when due,
3 of the interest on and the principal of this bond.

4 IN WITNESS WHEREOF Harford County, Maryland, has caused this bond to be executed in
5 its name by the facsimile signature of the County Executive, which signature has been imprinted
6 thereon, and has also caused a facsimile of its corporate seal to be imprinted hereon, attested by the
7 facsimile signature of the Director of Administration, and the manual signature of an authorized
8 officer of the Bond Registrar, all as of the ____ day of ____, 2011.

9 ATTEST: HARFORD COUNTY, MARYLAND

10
11 _____ By: _____
12 Director of Administration County Executive

13

14 CERTIFICATE OF AUTHENTICATION

15 This bond is one of the registered bonds of Harford County, Maryland Water and Sewer
16 Bonds, Series 2011.

17

18

19

20

Authorized Officer

21

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(Form of Registration)

(No writing hereon except by an officer of _____, Baltimore, Maryland, Bond Registrar.)

<u>Date of Registry</u>	<u>Name of Registered Holder</u>	<u>Registered By</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____)

the within bond, and hereby irrevocably constitutes and appoints

attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature guaranteed:

NOTICE: Signature must be
guaranteed by a member firm of the
New York Stock Exchange or a
commercial bank or trust company

NOTICE: The signature on this
Assignment must correspond with
the name of the registered owner
as it appears on the face of the within bond in
every particular, without alteration or
enlargement or any change whatever.

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1 SECTION 12. Be it further enacted by the County Council of Harford County, Maryland
2 that if the indebtedness herein authorized is represented by bonds, the bonds shall be sold by bids in
3 sealed proposals or electronic bid form as determined in the Resolution to the bidder therefor for
4 cash whose bid is deemed to be for the best interest of the County, after giving at least ten (10) days'
5 public notice by advertisement inserted twice in one or more daily or weekly newspapers having a
6 general circulation in the County, said sale to be held not sooner than ten (10) days following the first
7 insertion of said advertisement. Said advertisement or a summary thereof shall also be published in
8 "The Bond Buyer", a financial journal published in the City of New York and in electronic form.
9 The Award of the Bonds, if made, shall be approved by resolution of the County Council of Harford
10 County, Maryland after written recommendation of the County Executive, to the bidder offering the
11 lowest interest cost determined in accordance with the true interest cost method (TIC). The sale of
12 the bonds, unless changed by Executive Order of the County Executive of the County Council of
13 Harford County, Maryland, shall be held on December 6, 2011, at the office of the Treasurer of
14 Harford County, Maryland, located at 220 South Main Street, Bel Air, Maryland, at 10:00 o'clock
15 A.M., E.S.T. or E.D.T. (whichever time may then be in effect), or on such other date and at such
16 other time and location as may be provided by Executive Order of the County Executive.

17 SECTION 13. Be it further enacted by the County Council of Harford County, Maryland that
18 the official Notice of Sale shall be in substantially the form hereinafter set forth and the terms,
19 provisions and conditions set forth in said form of Notice of Sale are hereby adopted and approved as
20 the terms, provisions and conditions under which and the manner in which the bonds shall be sold,
21 issued and delivered at public sale. The official Notice of Sale, upon resolution of the County
22 Council of Harford County, Maryland, may be consolidated with the Official Notice of Sale for other

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1 bonds to be sold by the County at the same time. The official Notice of Sale may be published in
2 summary form in The Bond Buyer and other financial publications approved by the County
3 Executive and/or in electronic form. The official Notice of Sale for the bonds shall be in
4 substantially the following form (unless changed by Executive Order of the County Executive
5 adopted prior to the sale of the bonds):

6

BILL NO. 11-27

NOTICE OF SALE

**\$19,045,000
HARFORD COUNTY, MARYLAND
WATER AND SEWER BONDS
Series 2011
(Book-Entry Only)**

NOTICE IS HEREBY GIVEN that electronic (as explained below) bids will be received by the Treasurer, Harford County, Maryland (the "County") at the offices of the Treasurer until 10:00 a.m. local Baltimore, Maryland time on December 6, 2011 for the purchase of all (but not less than all) of the County's \$19,045,000 Harford County, Maryland Water and Sewer Bonds, Series 2011 (the "Bonds"). The bids will be received up to the time (unless postponed as described herein) and in the manner described below:

DATE AND TIME

Tuesday, December 6, 2011, 10:00 a.m. Eastern Standard Time (EST). For the purposes of both the sealed bid and the electronic bid, the time maintained by PARITY shall constitute the official time.

FOR ELECTRONIC BIDS

Submit electronically via PARITY in accordance with its Rules of Participation and this Notice of Sale until 10:00 a.m., EST, but no bid will be received after the time for receiving bids specified above. Provisions in this Notice of Sale conflicting with those PARITY Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, the bid time and/or date may be postponed at the option of the County. For further information about PARITY, potential bidders may contact:

who is acting as financial advisor to the County, or

**PARITY
40 West 23rd Street, 5th Floor
New York, New York 10014
Telephone: 212-404-8102**

Any prospective bidder must submit its electronic bid through the facilities of PARITY, in accordance with the Rules of Participation and any other requirements of PARITY. Prospective bidders must be contract customers of BIDCOMP in order to submit an electronic bid.

1 An electronic bid made through the facilities of PARITY shall be deemed an offer, in
2 response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed
3 bid delivered to the County. The County shall not be responsible for any malfunction or mistake
4 made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole
5 risk of the prospective bidder.
6

7 Neither the County nor PARITY shall have any duty or obligation to provide or assure access
8 to PARITY to any prospective bidder. The County is using PARITY as a communication
9 mechanism, and not as the County's agent to conduct the electronic bidding for the Bonds. The
10 County is not bound by any advice and determination of PARITY to the effect that any particular bid
11 complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective
12 bidders in connection with their submission of bids via PARITY are the sole responsibility of the
13 bidders; and the County is not responsible, directly or indirectly, for any such costs or expenses. If a
14 prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the
15 Bonds, he (she) should telephone PARITY (212-404-8102) and notify the County's Bond Counsel,
16 Royston, Mueller, McLean & Reid, LLP, Attention: Stephen C. Winter, by facsimile at (410) 823-
17 1708.
18

19 Electronic bids must be submitted for the purchase of the Bonds via PARITY. Bids will be
20 communicated electronically to the County at 10 a.m. (EST) on December 6, 2011. Prior to that
21 time, a prospective bidder may (1) submit the proposed terms of its bid, (2) modify the proposed
22 terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn
23 as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid for the Bonds.
24 Once the bids are communicated electronically via PARITY to the County, each bid will constitute
25 an irrevocable offer to purchase the Bonds bid for on the terms therein provided.
26

27 **List of Members of Account**
28

29 The facilities of PARITY currently do not allow the bidders to list the names of the members
30 of the account on whose behalf the bid is made. Bidders who are submitting an electronic bid are
31 requested to telecopy the names of the members of the account on whose behalf the bid is made to
32 the County c/o Royston, Mueller, McLean & Reid, LLP (410) 823-1708, Attention: Stephen C.
33 Winter.
34

35 **Right to Modify or Amend Notice of Sale; Right to Postpone Sale**
36

37 The County reserves the right to modify or amend this Notice of Sale, including
38 changing the scheduled maturities or increasing or reducing the aggregate principal amount of
39 Bonds and the principal amount of any maturity offered for sale, prior to the bid date. If any
40 modifications occur, supplemental information with respect to the Bonds will be
41 communicated via TM3 News Service (www.tm3.com) not later than 5:00 p.m., Baltimore,
42 Maryland time, on the day preceding the last day on which proposals may be submitted, and
43 bidders shall bid upon the Bonds based upon the terms thereof set forth in this Notice of Sale,
44 as so modified by such supplemental information.
45

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1 In addition, the County reserves the right to postpone the date established for the receipt of
2 bids. In the event of a postponement, the new date and time of sale and any revised date of expected
3 delivery will be announced via TM3 News Service not later than 9:00 a.m., Baltimore, Maryland
4 time, on the day on which proposals may be submitted. On any such alternative sale date, bidders
5 may submit sealed bids for the purchase of the Bonds in conformity with the provisions of this
6 Notice of Sale, except for the changed date and time of sale and any revised date of delivery.

7 **Bid Parameters**

8
9 No bid of less than 100% of par plus accrued interest from December 1, 2011 to the date of
10 delivery of the Bonds, no oral bid and no bid for less than all of the Bonds described in this Notice of
11 Sale, will be considered. The Bonds are expected to be awarded at approximately 3:00 p.m.
12 prevailing Eastern Time on December 6, 2011. All proposals shall remain firm until the time of
13 award. No interest rate may be bid that is lower than the interest rate in the immediately preceding
14 year.

15 **Authorization**

16
17 The Bonds will be issued by the County pursuant to Bill Nos. 10-__ and 11-__ enacted by
18 the County Council of the County on ____, ____, and ____,
19 respectively, effective ____, ____, and ____, respectively (the
20 "Authorized Legislation") and Resolution No. ____ adopted on ____, ____. The proceeds of
21 the Bonds will be used primarily to finance the costs of the acquisition, renovation or new
22 construction and equipping of certain capital projects described in the Authorized Legislation.
23
24

25 The Bonds and payment of the principal and interest thereon will be the unconditional
26 general obligation of the County and will constitute an irrevocable pledge of the full faith and credit
27 and unlimited taxing power of the County.
28

29 **Procedures for Sale**

30
31 As promptly as reasonably practicable after the bids are opened, the County will notify the
32 bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon
33 such notice, shall advise the County of the initial reoffering prices to the public of each maturity of
34 the Bonds (the "Initial Reoffering Prices"). The successful bidder shall pay the Aggregate Principal
35 Amount of the Bonds plus the premium, plus accrued interest to the date of delivery. ALL BIDS
36 SHALL REMAIN FIRM UNTIL 3:00 P.M. LOCAL BALTIMORE, MARYLAND TIME ON THE
37 DATE OF SALE. An award of the Bonds pursuant to this Notice of Sale, if made, will be made by
38 resolution of the County Council of Harford County, Maryland at or before 3:00 p.m. local
39 Baltimore, Maryland time on the date of sale.
40

41 **Price and Interest Rate Bid**

42
43 Each bidder shall submit one bid, not less than par, on an "all-or-none" basis. Each bid must
44 specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth (1/8) or one-

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1 twentieth (1/20) of one percent (1%). Bidders may specify more than one rate of interest to be borne
2 by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate; and the
3 difference between the maximum and minimum interest rates specified may not exceed three percent
4 (3%). A zero rate cannot be named for any maturity.

5 6 **Good Faith Deposit.**

7
8 A good faith deposit (the "Deposit") is required in connection with the sale and bid for the
9 Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the amount of
10 \$500,000 for the Bonds to be submitted to the County by the successful bidder not later than 3:00
11 p.m. (EDT) (the "Deposit Deadline") on the date of sale or (ii) a financial surety bond (a "Surety
12 Bond") from an insurance company acceptable to the County and licensed to issue such a bond in the
13 State of Maryland in the amount of the Deposit, each option as described in more detail below. The
14 Deposit of the successful bidder will be retained by the County to be applied in partial payment for
15 the Bonds, and no interest will be allowed or paid upon the amount thereof, but in the event the
16 successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will
17 be retained as and for full liquidated damages.

18
19 If a federal funds wire transfer is used, the County shall distribute wiring instructions for the
20 Deposit to the successful bidder(s) upon verification of the bids submitted by the bidders and prior to
21 the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of
22 the Bonds to the successful bidder may be cancelled by the County in its discretion without any
23 financial liability of the County to the successful bidder or any limitation whatsoever on the County's
24 right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall
25 deem appropriate.

26
27 If a Surety Bond is used, it must be submitted to the County prior to 5:00 p.m. (EDT) on the
28 day prior to the date for receipt of bids, and must be in form and substance acceptable to the County,
29 including (without limitation) identifying the bidder whose Deposit is guaranteed by such Surety
30 Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then such successful bidder is
31 required to submit its Deposit to the County not later than 12:00 p.m. (EDT) on the next business day
32 following the award in accordance with wire instructions delivered by the County to such bidder. If
33 such Deposit is not received by that time, the Surety Bond may be drawn by the County to satisfy the
34 Deposit requirement.

35
36 The County Treasurer may change Deposit requirements at any time before publication of
37 this Notice of Sale, or before delivery and payment for the Bonds.

38 39 **Award of Bonds and Public Offering**

40
41 The County will not consider and will reject any bid for the purchase of less than all of the
42 Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS. The award, if made, will
43 be made as promptly as possible after the bids are opened to the bidder offering the lowest interest
44 rate to the County. The lowest interest rate shall be determined in accordance with the true interest
45 cost (TIC) method doubling the semiannual interest rate (compounded semiannually) necessary to

1 discount the debt service payments from the payment dates to the date of the Bonds and to the price
2 bid, excluding interest accrued to the date of delivery; provided, however, that if two or more bidders
3 have made bids, each of which represents the lowest true interest cost to the County, then the Bonds
4 shall be awarded to the bidder offering the highest premium and, if the highest premium is offered by
5 two or more such bidders or if no premium is bid by any such bidders, then the Bonds may be
6 awarded, with their consent, in a ratable portion among such bidders, of the County, in its discretion,
7 may award all of the Bonds to one bidder. The judgment of the County shall be final and binding
8 upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to
9 the terms of this Notice of Sale. THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE
10 PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES AND SHALL
11 PROVIDE THE RELATED CERTIFICATION DESCRIBED UNDER "CLOSING DOCUMENTS"
12 BELOW.

13 14 **Legal Opinion**

15
16 The issuance of the Bonds will be subject to delivery of the approving opinion of Royston,
17 Mueller, McLean & Reid, LLP, Towson, Maryland, which opinion shall be substantially in the form
18 set forth as an exhibit to the Preliminary Official Statement referred to below. The opinion will be
19 delivered upon request, without charge, to the successful bidder for the Bonds.

20 21 **Official Statement**

22
23 Not later than seven (7) business days after the award of the Bonds to the successful bidder
24 on the day of sale, the County will deliver to the successful bidder an Official Statement, which is
25 expected to be substantially in the form of the Preliminary Official Statement referred to below. If so
26 requested by the purchaser or purchasers at or before the close of business on the date of the sale, the
27 County will include in the Official Statement such pricing and other information with respect to the
28 terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as
29 may be specified and furnished in writing by such bidder. If no Reoffering Information is specified
30 and furnished by the successful bidder, the Official Statement will include the interest rates on the
31 Bonds resulting from the bid of the successful bidder and the other statements with respect to
32 reoffering contained in the Preliminary Official Statement. The successful bidder shall be
33 responsible to the County and its officials for the Reoffering Information, and for all decisions made
34 by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of
35 the Bonds, including the presentation or exclusion of any Reoffering Information in any documents,
36 including the Official Statement. The successful bidder will also be furnished, without cost, with up
37 to 100 copies of the Official Statement and any amendments or supplements thereto.

38
39 The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary
40 Official Statement") is in a form "deemed final" by the County for purposes of SEC Rule 15c2-
41 12(b)(1) (the "Rule") but is subject to revision, amendment and completion in the final Official
42 Statement.

43
44 The County will undertake to provide the successful bidder with further additional
45 information to be included in such Official Statement, when in the opinion of the County or of Bond

Counsel, such additional information constitutes a material change to such Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is twenty-five (25) days after the "end of the underwriting period", as such term is defined in the Rule.

The County agrees, in order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), pursuant to a continuing disclosure certificate (the "Continuing Disclosure Certificate") signed by the County Executive, Treasurer and Director of Administration, to provide annual reports and notices of certain events. The undertaking of the County in the Continuing Disclosure Certificate shall be set forth in any Preliminary Official Statement and Official Statement and any amendment or supplement thereto.

BIDDERS, BY SUBMITTING THEIR BIDS, AGREE TO PROVIDE THE COUNTY, SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE COUNTY STATING (i) THE INITIAL REOFFERING PRICES, EXPRESSED AS A PERCENTAGE OF PAR, TO THE PUBLIC OF EACH MATURITY OF THE BONDS (THE "REOFFERING PRICES"), (ii) THAT THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; AND (iii) THAT A SUBSTANTIAL AMOUNT OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in part amount of the Bonds of each maturity at or below the Initial Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other acts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirements to avoid the establishment of an artificial price for the Bonds.

Book-Entry Only Form

The Bonds will be issued in book-entry-only form, registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds. Information concerning DTC and its book-entry system is included in the Preliminary Official Statement concerning the Bonds dated _____, 2011 (the "Preliminary Official Statement") and bidders should rely solely on that material.

Interest Payment Dates

The Bonds will be dated December 1, 2011 and will bear interest from that date payable on _____, _____ and semiannually thereafter on each _____ and _____ until maturity or redemption.

Maturity Schedule

The Bonds will mature on February 1 in each of the years 2011 through 2031, inclusive, as follows (the "Maturity Schedule"):

2012	\$950,000.00	2022	\$950,000.00
2013	\$950,000.00	2023	\$950,000.00
2014	\$950,000.00	2024	\$950,000.00
2015	\$950,000.00	2025	\$950,000.00
2016	\$950,000.00	2026	\$950,000.00
2017	\$950,000.00	2027	\$950,000.00
2018	\$950,000.00	2028	\$950,000.00
2019	\$950,000.00	2029	\$950,000.00
2020	\$950,000.00	2030	\$950,000.00
2021	\$950,000.00	2031	\$995,000.00

Optional Redemption

Bonds which mature on or before _____ are not subject to redemption prior to maturity. On and after _____, the Bonds with a stated maturity on or after _____ are subject to redemption at the option of the County in whole at any time or in part on any Interest Payment Date. Such redemption shall be at the following redemption prices (expressed as a percentage of the principal amount of such Bonds), plus accrued and unpaid interest to the date fixed for redemption:

Redemption Period

Redemption Price

_____%

_____%

_____%

Delivery

Delivery of the Bonds is expected to occur through the facilities of DTC in New York, New York on or about December 16, 2011. The successful bidder shall pay for the Bonds on the date of delivery in Baltimore, Maryland in **IMMEDIATELY AVAILABLE FEDERAL FUNDS BY**

1 10:00 a.m., EDT, on the closing date. Any expenses of providing immediately available funds shall
2 be borne by the successful bidder. Payment on the delivery date shall be made in an amount equal to
3 the price bid for the Bonds plus accrued interest from December 1, 2011, less the amount of the
4 Good Faith Deposit.

5
6 **CUSIP Numbers**

7
8 It is anticipated that CUSIP numbers will be printed on the Bonds, but the County will
9 assume no obligation for the assignment or printing of such numbers on the Bonds or for the
10 correctness of such numbers, and neither the failure to print such numbers on the Bonds nor any error
11 with respect thereto shall constitute cause for a failure or refusal by the successful bidder of the
12 Bonds to accept delivery or and make payment for the Bonds.

13
14 **Closing Documents**

15
16 The Bonds will be accompanied by the customary closing documents, including a no-
17 litigation certificate, effective as of the date of delivery, stating that there is no litigation pending
18 against the County affecting the validity of the Bonds and a Tax and No Arbitrage Certificate signed
19 by the County Treasurer.

20
21 It shall be a condition to the obligation of the successful bidder to accept delivery of and pay
22 for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such
23 successful bidder shall be furnished a certificate or certificates of the County Executive and
24 Treasurer to the effect that to the best of their knowledge and belief, the Official Statement (and any
25 amendment or supplement thereto) (except for the Reoffering Information, as to which no view will
26 be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any
27 untrue statement of a material fact and does not omit to state a material fact necessary to make the
28 statements therein, in light of the circumstances under which they were made, not misleading and
29 that between the date of sale and the date of delivery of the Bonds there has been no material adverse
30 change in the financial position or revenues of the County, except as reflected or contemplated in the
31 Official Statement.

32
33 In the event that all or any part of the Bonds are initially reoffered with bond insurance
34 secured by the successful bidder, the successful bidder shall be required to notify immediately the
35 Treasurer of the County at the time of sale of such event and shall provide the Treasurer of the
36 County with any information he reasonably requests regarding such bond insurance, including the
37 amounts paid for such insurance and interest rates that the bonds would have borne should the bid
38 have occurred without bond insurance. The County will, at the request and expense of the successful
39 bidder, include customary language in the Official Statement and the form of bond regarding the
40 insurance policy upon receipt of such opinions or certificates as the County reasonably may request
41 regarding the accuracy of any information to be included in the Official Statement and the binding
42 nature of the obligations contained in the insurance policy with respect to the Bonds. The County
43 shall have no obligation to provide the successful bidder or the bond insurance company with any
44 other documents or opinions relating to the Bonds.

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1 The Preliminary Official Statement, a full financial statement concerning the County, the
2 required form of proposal, and other data in reference thereto as may be desired will be supplied to
3 prospective bidders upon request made to Kathryn L. Hewitt, Treasurer, 220 South Main Street, Bel
4 Air, Maryland 21014 (410-638-3316) or from the County's Financial Advisor,
5 _____, Attention:
6 _____, Telephone: _____.

7
8 Date:

9
10 HARFORD COUNTY, MARYLAND

11
12
13
14 By: _____
15 David R. Craig
16 County Executive
17

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1 SECTION 14. Be it further enacted by the County Council of Harford County, Maryland
2 that upon request of the County Executive, the County Council of Harford County, Maryland may, at
3 any time, prior to the sale of the bonds, by administrative resolution(s), determine whether the bonds
4 may be sold above or below par, whether bids may be accepted electronically or by facsimile, change
5 the projects to be constructed with the proceeds of sale of the bonds, and the County Executive, by
6 Executive Order may determine or change the Notice of Sale, date of sale, the date or location of bid
7 opening, the dates of maturity or redemption of the bonds, the amount of the bonds to be sold (but
8 not in excess of and the amounts of bonds maturing in each year, the interest payment dates of the
9 bonds, appoint paying agent(s) and/or registrar(s) for the bonds, whether ownership of the bonds or
10 other indebtedness shall be maintained in book entry form, and the terms of sale of the bonds.

11 SECTION 15. Be it further enacted by the County Council of Harford County, Maryland that
12 immediately after the sale of the bonds, and upon written recommendation of the County Executive
13 the interest rate or rates payable thereon shall be fixed by a resolution of the County Council of
14 Harford County, Maryland in accordance with the terms and conditions of the sale of the bonds. The
15 bonds shall thereupon be suitably printed or engraved and duly executed and delivered to the
16 purchaser (or to The Depository Trust Company if the bonds are book entry) in accordance with the
17 conditions of delivery set forth in the foregoing Notice of Sale. The proceeds of the sale of the
18 bonds, including any premium and accrued interest received therefor, shall be paid to the Department
19 of the Treasury of Harford County and shall be deposited in a special account of Harford County,
20 Maryland. The County may, at its option, deduct from the gross proceeds received from the sale of
21 the bonds the cost of issuing the same, including the cost of advertising, printing and professional

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1 fees (including legal) and expenses. There shall be deducted from the total gross proceeds received
2 from the sale of the bonds the amount received on account of accrued interest on
3 the bonds, which amount shall be set apart by the Treasurer of Harford County in a special fund and
4 applied to the first maturing interest payments on the bonds. The balance of the proceeds of the sale
5 of the bonds shall be expended only to finance the Projects as set forth in this Bill and as more
6 particularly described in the Annual Budget and Appropriation Ordinance of Harford County,
7 Maryland, as amended, for the year ending June 30, 2012. If the funds derived from the sale of the
8 bonds shall exceed the amount needed to finance said Projects, the excess funds so borrowed and not
9 expended by the County shall be applied by the County in payment of the next principal maturity of
10 the bonds so issued, unless the County Council of Harford County, Maryland shall adopt a resolution
11 or ordinance allocating said excess funds to finance any lawful modification of such Projects, or to
12 the extent then permitted by law, any other project lawfully undertaken by the County as may be
13 provided by subsequent resolution or ordinance approved by the County Council of Harford County,
14 Maryland.

15 SECTION 16. Be it further enacted by the County Council of Harford County, Maryland
16 that in the event the fees and charges described in Section 6 are insufficient to pay the principal of
17 and/or interest on the bonds or other indebtedness in any year(s), for the purpose of paying the
18 interest on, premium (if any) and principal of the bonds or other indebtedness authorized by this Bill,
19 there is hereby levied and there shall hereafter be levied in each fiscal year that any of the bonds or
20 other indebtedness are outstanding, *ad valorem* taxes on real and tangible personal property and
21 intangible property subject to taxation by the County without limitation on rate or amount; and, in
22 addition, upon such other intangible property as may be subject to taxation by the County within

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1 limitations prescribed by law, in an amount sufficient together with funds available from other
2 sources, to pay the annual interest on the outstanding bonds or other indebtedness and to redeem the
3 bonds or other indebtedness maturing during the succeeding year; and the full faith and credit and
4 the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of
5 the principal of and interest on the bonds or other indebtedness as and when they mature. The
6 County, by the passage of this Bill, hereby covenants and agrees properly and promptly to perform
7 all of the respective acts and duties defined in this Bill for the levy and collection of the aforesaid *ad*
8 *valorem* tax upon all the assessable property within the corporate limits of the County, as the levy
9 and collection of such a tax becomes necessary in order to meet the debt service requirements of
10 Harford County Water and Sewer Bonds, Series 2011. By this Bill, the County agrees to take all
11 action it may be legally authorized and empowered to take in order to enforce, in any year in which
12 any of the bonds or other indebtedness are outstanding, the guarantee of such bonds or other
13 indebtedness by the County.

14 SECTION 17. Be it further enacted by the County Council of Harford County, Maryland
15 that as a part or all of the aggregate indebtedness authorized by this Bill, upon written
16 recommendation of the County Executive and adoption of the Administrative Resolution (as defined
17 in Section 17B of this Bill) the County shall borrow upon its full faith and credit and unlimited
18 taxing power of the County, and shall issue and sell upon its full faith and credit and the unlimited
19 taxing power of the County, a bond as a single, fully-registered bond in the maximum principal
20 amount not to exceed Nineteen Million Forty-Five Thousand Dollars (\$19,045,000) pursuant to the
21 authority of the Charter, Article 25A of the Annotated Code of Maryland, and the Water Quality Act
22 (Title 9, Environmental Article of the Annotated Code of Maryland, 2002 Volume, 2010

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1 Replacement) for the upgrade, expansion and improvement of all or part of the sewer or waste water
2 facility Projects (the "Facility"). The sale of the bond shall be conducted as more fully described in
3 this Section 17 of this Bill and the aggregate amount of bonds otherwise authorized by this Bill shall
4 be reduced by the amount of the bond sold pursuant to the Water Quality Act. The
5 County, as a body politic and corporate and a political subdivision of the State of Maryland, hereby
6 determines to borrow money and incur indebtedness for the public purpose of financing the costs of
7 the acquisition and development of the Facility which shall include: (i) actual and estimated costs of
8 the issuance of the bond, (ii) engineering expenses, (iii) inspection expenses, (iv) fiscal expenses, (v)
9 legal expenses; and (vi) interest estimated to accrue during the construction and for 24 months on
10 money borrowed or expected to be borrowed. The development costs shall be more fully described
11 in the Administrative Resolution (as defined in Section 17B of this Bill). It is the intent of the
12 County Council of Harford County, Maryland that the costs of the Facility be financed with the
13 proceeds from the sale of the bond and that the County also be reimbursed out of such bond proceeds
14 for all costs of acquisition incurred by the County; provided, however, that such expenses have been
15 incurred by the County not more than one (1) year prior to the issuance of the bond:

16 A. The Facility shall constitute a "wastewater facility" within the meaning of Section
17 9-1601(u) of the Water Quality Act.

18 B. Such borrowing and indebtedness of the County shall be made and incurred
19 pursuant to Section 9-1606 and Section 9-1614(b) of the Water Quality Act and in accordance with
20 the provisions of a Loan Agreement between the County, as Borrower, and the Administration. The
21 Loan Agreement shall be substantially in such form as is approved by a resolution supplemental to
22 this Bill and passed subsequent to the enactment of this Bill (the "Administrative Resolution") which

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Administrative Resolution shall set forth the details of the bond and the terms of the loan, in such manner as shall not be inconsistent with the provisions and requirements of this Bill. The Loan Agreement (the form of which shall be attached to the Administrative Resolution and approved therein) shall contain in its final form such insertions, omissions, variations, or changes (collectively "changes") as may be deemed necessary or appropriate and which shall be acceptable to the County Executive, and the County Executive is hereby authorized, and shall be authorized by the Administrative Resolution, to make such changes in the Loan Agreement as he may deem appropriate.

C. To evidence the payment of obligations of the County under the Loan Agreement, the County shall issue and sell, upon its full faith and credit and unlimited taxing power of the County, the bond, as a general obligation installment bond in the maximum amount not to exceed Nineteen Million Forty-Five Thousand Dollars (\$19,045,000) which bond shall be known as "Harford County, Maryland Water Quality Bond, Series 2011".

The proceeds from the sale of the bond shall be generally used for the purposes set forth in this Section 17 of this Bill as more fully described in the project description as set forth and approved by the Administrative Resolution. The bond shall be issued as a single fully-registered bond in the maximum amount not to exceed Nineteen Million Forty-Five Thousand Dollars (\$19,045,000), payable to the registered owner thereof. The bond shall be dated as of the date of delivery to the purchaser; shall be numbered R-1; shall be registered in the name of the Administration or its designee; shall be payable in such principal installments and shall bear interest at such rate as shall appear on the final executed bond. The maturity of the bond and the date of final maturity shall appear in the executed bond. In no event shall the final date of maturity of the bond

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1 exceed thirty (30) years from the date of issuance of the bond. The interest rate upon the bond shall
2 be determined by the Administration as a percentage of the true interest cost (TIC) of the
3 Administration's Revolving Loan Fund Revenue Bonds, Series ____ (whichever is applicable) (the
4 "Administration's Revenue Bonds").

5 The principal installments payable on the bond and the rate of interest to be borne by
6 the bond (or the manner of determining the principal payments and rate of interest) shall be
7 established by the Administrative Resolution. Such determination of the principal and interest on the
8 bond shall be in accordance with the terms and conditions of the Loan Agreement. The rate of
9 interest approved by the Administrative Resolution shall in no event exceed the maximum rate
10 permitted by law and such interest rate shall appear in the executed bond.

11 The form of the bond, together with the statement of principal installments (annual or
12 semi-annual as shall be finally approved by the County Executive pursuant to Section 17 of this Bill)
13 and such installments of interest as therein set forth, and all of the covenants and conditions as shall
14 be contained in the bond, shall be adopted by the County Council of Harford County, Maryland
15 pursuant to the Administrative Resolution and such covenants and conditions shall be made binding
16 upon the County, including the promise to pay therein contained. Execution of the bond by the
17 County Executive shall constitute conclusive evidence of such approval.

18 D. The County will also execute and deliver in connection with the issuance of the
19 bond, additional documents (the "Water Quality Documents") including, but not limited to, the Loan
20 Agreement, and such other documents, agreements, instruments and certificates as the County
21 Executive, upon advice of legal counsel, shall deem necessary for the financing of the acquisition of
22 the Facility. Because this Bill is being adopted before all of the details of the sale of the bond and

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1 the issuance and sale of the Administration's Revenue Bonds have been finalized, the County
2 Executive, pursuant to the powers reserved unto him under this Section 17 and as set forth in the
3 Administrative Resolution, is hereby authorized to make such changes to the form of the bond and
4 the Documents, including insertions therein or additions or deletions thereto, as he may deem
5 necessary to conform the terms of the bond and the Water Quality Documents to the terms of the
6 financing to be provided to the County by the Administration; provided, however, that such changes,
7 additions or deletions are not in substance inconsistent with or contrary to the requirements set forth
8 in this Bill or in the Administrative Resolution.

9 E. The Loan Agreement and the bond shall be executed on behalf of and in the name
10 of the County by the County Executive, such execution to be made by the manual or facsimile
11 signature of the County Executive. The corporate seal of the County shall be affixed to the Loan
12 Agreement and to the bond, and each shall be attested by the signature of the Director of
13 Administration. If any officer whose signature shall appear on the bond or the Water Quality
14 Documents shall cease to be such officer before the delivery of the bond or the Water Quality
15 Documents, such signature shall nevertheless be valid and sufficient for all purposes, the same as if
16 he had remained in office until such delivery. The County Executive is hereby authorized,
17 empowered and directed to complete the applicable forms of the bond and the Water Quality
18 Documents as such forms may be approved by the County Council of Harford County, Maryland
19 through the Administrative Resolution and the County Executive shall make corrections or changes
20 thereto in any manner which the County Executive, in his discretion, shall deem necessary to
21 complete the issuance and sale of the bond and the execution and delivery of the Water Quality
22 Documents, all as may promote the objectives of the County as set forth in this Bill. The Loan

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1 Agreement and the bond, as executed by the County Executive, shall be valid and legally binding
2 obligations of the County in accordance with their terms.

3 F. Notwithstanding any section of the Charter or of Article 25A of the Annotated
4 Code of Maryland, and as authorized by Section 9-1606 of the Water Quality Act, the bond may be
5 sold at private sale to the Administration, public advertisement and sale of the bond not being
6 required by the terms of the Water Quality Act, and such private sale is determined to be in the best
7 interests of the County. The details of the sale of the bond shall be determined in accordance with
8 the Administrative Resolution. The bond shall be sold for cash at not less than par in accordance
9 with the terms and provisions of this Bill and the Administrative Resolution. The County Executive,
10 in his discretion, is expressly authorized and empowered to take any and all action necessary to
11 complete and close the award, sale and delivery of the Bond to the Administration including, without
12 limitation, making such changes or modifications in the form of the bond and adopted therein as he
13 may deem to be necessary or appropriate to comply with Administration practices and policies
14 applicable from time to time; provided, however, that such actions taken by the County Executive
15 shall not be in substance inconsistent with or contrary to the provisions of this Bill or the
16 Administrative Resolution.

17 G. The proceeds of sale of the bond shall be held, invested and administered by the
18 Administration pursuant to the Loan Agreement and shall be used, when and as required, to be
19 applied from time to time as and when received by the County to finance costs of the Facility in
20 compliance with the provisions of the Loan Agreement, the Charter, the Harford County Code (the
21 "Code") and the Water Quality Act. Any balance of the proceeds of the Loan remaining subsequent

1 to payment in full of all the costs of the Facility may be applied to reduce the principal of the Loan in
2 accordance with the terms of the Loan Agreement.

3 H. For the purpose of paying the maturing principal of and interest on the bond when
4 due, the County has established or shall establish a dedicated source of revenues as shall be
5 described in the Loan Agreement. In the event such revenues are insufficient to meet the debt
6 service requirements in any fiscal year in which the bond is outstanding, the County shall levy in
7 such fiscal year upon all real and tangible personal property within its jurisdictional limits subject to
8 assessment for unlimited County taxation *ad valorem* taxes in rate and amount sufficient to provide
9 for the prompt payment of such principal and interest on the bond in such fiscal year, and, if the
10 proceeds from the collection of taxes so levied in any such fiscal year are inadequate for such
11 payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency.
12 The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to
13 the payment of the principal of and interest on the bond as and when they become due and payable
14 and to the levy and collection of the taxes hereinabove described as and when such taxes may
15 become necessary in order to provide sufficient funds to meet the debt service requirements of the
16 bond. The County hereby covenants and agrees with the registered owner of the bond to levy and
17 collect the taxes hereinabove described and to take any action that may be appropriate from time to
18 time during the period that the bond remains outstanding and unpaid to provide the funds necessary
19 to pay promptly the principal and interest due thereon.

20 I. The Bond is being issued in connection with the Administration's Maryland Water
21 Quality Revolving Loan Fund Program (the "Program") and will evidence the County's obligation to
22 repay the Loan advanced from the proceeds of the sale of the Administration's Revenue Bonds. The

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1 Loan Agreement limits the ability of the County to prepay the bond in accordance with restrictions
2 upon the ability of the Administration to redeem the Administration's Revenue Bonds. Accordingly,
3 the County may prepay the bond only in accordance with the provisions of the Loan Agreement and
4 the terms governing prepayment as set forth in the bond.

5 J. The County Executive shall be the certifying official for the County responsible for
6 the execution and delivery on the date of the issuance of the bond of a tax and arbitrage certificate of
7 the County that complies with the requirements of Section 148 of the Internal Revenue Code of
8 1986, as amended, and the applicable regulations thereunder. The County Executive is hereby
9 authorized and directed to execute and deliver the tax and arbitrage certificate to counsel rendering
10 an opinion on the excludability from gross income of interest on the bond for purposes of federal
11 income taxation on the date of the issuance of the bond. The tax and arbitrage certificate shall set
12 out the reasonable expectations of the County as to relevant facts, estimates and circumstances
13 relating to the use of the proceeds of the bond or of any moneys, securities or other obligations to the
14 credit of any account of the County which may be deemed to be bond proceeds under Section 148 or
15 the arbitrage regulations. The County covenants with the owner of the bond that the facts, estimates
16 and circumstances set forth in the tax and arbitrage certificate will be based on the County's
17 reasonable expectations on the date of the issuance of the bond and will be, to the best of the
18 certifying officials' knowledge, true, correct and complete as of that date.

19 K. The County covenants and agrees with the registered owner of the bond that it
20 will not make, or (to the extent that it exercises control or direction) permit to be made, any use of
21 the bond proceeds that would cause the bond to be an "arbitrage bond" within the meaning of Section
22 148 and the arbitrage regulations. The County further covenants that it will comply with Section 148

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1 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder which are
2 applicable to the bond on the date of issuance of the bond and which may subsequently lawfully be
3 made applicable to the bond. The County further covenants that it shall make such use of the
4 proceeds of the bond, to the extent possible regulate the investment of the proceeds thereof, and take
5 such other and further actions as may be required to maintain the excludability from gross income,
6 for federal income tax purposes, of interest on the bond. All officers, employees and agents of the
7 County are hereby authorized and directed to take such actions, and to provide such certificates of
8 facts and estimates regarding the amount and use of the proceeds of the bond, as may be necessary or
9 appropriate from time to time to comply with, or to evidence the County's compliance with, the
10 covenants set forth in this Section.

11 L. The principal amount of the bond to be sold to the Administration pursuant to the
12 Water Quality Act shall be determined in a resolution adopted by the County Council of Harford
13 County, Maryland upon written recommendation of the County Executive and shall constitute a
14 portion or all of the Nineteen Million Forty-Five Thousand Dollars (\$19,045,000) principal amount
15 of bonds and indebtedness authorized to be incurred pursuant to this Bill. In no event may the
16 aggregate indebtedness incurred by the County pursuant to this Bill exceed Nineteen Million Forty-
17 Five Thousand Dollars (\$19,045,000).

18 SECTION 18. Be it further enacted by the County Council of Harford County, Maryland
19 that Harford County, Maryland is hereby authorized and empowered from time to time to issue its
20 Bond Anticipation Note or Notes (or other form of indebtedness) on the full faith and credit and
21 unlimited taxing power of the County in an amount not exceeding Nineteen Million Forty-Five
22 Thousand Dollars (\$19,045,000), the net proceeds of such sale to be used to finance part or all of the

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1 cost of the Projects; the sale of such Notes to be upon such terms as may be directed by resolution of
2 the County Council of Harford County, Maryland.

3 Such Bond Anticipation Note or Notes or other evidence of indebtedness shall provide that
4 not in excess of twelve (12) months interest from the date of issue shall be paid from the proceeds of
5 bonds issued to retire the indebtedness incurred pursuant to the Bond Anticipation Note.

6 The Treasurer of Harford County, Maryland, prior to the issuance of any such Bond
7 Anticipation Note or Notes or other evidence of indebtedness of the County shall present the terms
8 of such notes to the County Council of Harford County, Maryland for approval by Resolution of the
9 County Council of Harford County, Maryland prior to the issuance of such Bond Anticipation Note
10 or Notes.

11 The Bond Anticipation Note or Notes will bear interest at the rate or rates so negotiated by
12 the Treasurer and approved by Resolution of the County Council of Harford County, Maryland and
13 the Bond Anticipation Note or Notes when issued shall be issued in the name of Harford County by
14 the signature of the County Executive, the corporate seal of the County shall be imprinted on such
15 Bond Anticipation Note or Notes and such Bond Anticipation Note or Notes shall be used only for
16 those purposes approved in a Resolution of the County Council of Harford County, Maryland
17 adopted subsequent to the adoption of this Bill.

18 The Bond Anticipation Note or Notes shall not be issued in an amount greater than the
19 amount of bonds or other indebtedness authorized in anticipation of the sale of which the Bond
20 Anticipation Note or Notes are issued and sold.

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1 The principal of and interest on the Bond Anticipation Note or Notes shall be payable out of
2 the first proceeds of sale of the bonds, or from the tax or other revenue which the County shall
3 previously determine to apply to the payment of the bonds and interest thereon.

4 Twelve (12) months interest on the Bond Anticipation Note or Notes or any renewal thereof
5 may be paid from the proceeds of sale of the bonds accounting from the initial date of issue thereof.

6 By resolution adopted by the County Council of Harford County, Maryland, the County may
7 provide for the renewal of the Bond Anticipation Note or Notes at maturity with or without resale.

8 Immediately after the sale of the Bond Anticipation Note or Notes and approval by resolution
9 of the County Council of Harford County, Maryland, the proceeds of sale of such Bond Anticipation
10 Note or Notes, after payment of expenses of issuing the same, shall be paid to the Department of the
11 Treasury of Harford County, Maryland. The proceeds of sale of the Bond Anticipation Note or
12 Notes shall be expended only to finance the Projects as defined above.

13 SECTION 19. Be it further enacted by the County Council of Harford County, Maryland that
14 pursuant to Treasury Regulations 1.150-2, governing the use of bond proceeds for the purpose of
15 reimbursing expenditures paid prior to the issuance of bonds, and as permitted by Treasury
16 Regulations 1.150-2(e)(1), the Treasurer of Harford County, Maryland is hereby duly designated to
17 make declarations of Official Intent on behalf of the County. The County expects that all or a part of
18 the capital expenditures for the Projects will be paid prior to the issuance of the Bonds, and that the
19 proceeds of the Bonds will be used to reimburse the County for capital expenditures paid prior to the
20 issuance of the Bonds. The County reasonably expects to reimburse a portion of the capital
21 expenditures for the Projects with proceeds of the Bonds, in the maximum principal amount of
22 \$15,000,000, and this Bill and shall be available for public inspection at the offices of the County

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during regular business hours and in accordance with the laws of the State of Maryland and Harford County, regarding access to public records.

SECTION 20. Be it further enacted by the County Council of Harford County, Maryland that the County covenants and agrees with the registered owners, from time to time, of the Bonds as follows:

(a) The County covenants that it will not make any use of the proceeds of any of the Bonds or any moneys, securities or other obligations on deposit to the credit of the County or otherwise which may be deemed by the Internal Revenue Service to be proceeds of any of the Bonds pursuant to the Internal Revenue Code of 1986, as amended, and Income Tax Regulations thereunder (collectively, the "Code"), which would cause any of the Bonds to be "arbitrage bonds" or "private activity bonds" within the meaning of the Code.

(b) The County further covenants that it will comply with those provisions of the Code which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or other obligations deemed to be proceeds, it is intended that the covenants of the County contained in this Section 20 be construed so as to require the County to comply with the provisions of the Code only to the extent of such applicability.

(c) The County further covenants that it will not (i) take any action, (ii) fail to take any action, or (iii) make any use of the proceeds of any of the Bonds which would cause the interest on any of the Bonds to be or become subject to federal income taxes in the hands of the registered holders of any of the Bonds.

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1 (d) The County further covenants, in order to assist bidders in complying with SEC
2 Rule 15c2-12(b)(5), pursuant to a continuing disclosure agreement (the "Continuing Disclosure
3 Agreement") signed by the County Executive, Treasurer and Director of Administration, to provide
4 annual reports and notices of certain events. The undertaking of the County in the Continuing
5 Disclosure Agreement shall be described in any Preliminary Official Statement and Official
6 Statement and any amendment or supplement thereto.

7 SECTION 21. Be it further enacted by the County Council of Harford County, Maryland
8 that upon recommendation of the County Executive, the County Council of Harford County,
9 Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of
10 Maryland (2002 Volume, 2010 Supplement), authorizing the loan authorized to be incurred and the
11 bonds authorized to be sold by this Bill, to be consolidated for sale and issued, sold and delivered as
12 a single issue of bonds with other bonds authorized to be sold to finance capital projects described in
13 the Annual Budget and Appropriation Ordinance, as amended, or described in the Annual Budget
14 and Appropriations Ordinance adopted by the County Council of Harford County, Maryland for the
15 current fiscal year and/or prior or subsequent fiscal years.

16 SECTION 22. Be it further enacted by the County Council of Harford County, Maryland
17 that the provisions of this Bill are severable, and if any provision, sentence, clause, section or part
18 hereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such
19 illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the
20 remaining provisions, sentences, clauses, sections or parts of this Bill or their application to other
21 persons or circumstances. It is hereby declared to be the legislative intent that this Bill would have
22 been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had

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1 not been included herein, as if the person or circumstances to which this Bill or any part hereof are
2 inapplicable had been specifically exempted therefrom.

3 SECTION 23. And be it further enacted by the County Council of Harford County, Maryland
4 that this Bill shall take effect sixty (60) calendar days from the date it became law.

EFFECTIVE: September 19, 2011

The Acting Council Administrator of the Council does hereby
certify that fifteen (15) copies of this Bill are immediately
available for distribution to the public and the press.



Acting Council Administrator

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HARFORD COUNTY BILL NO. 11-27

Brief Title Water and Sewer Bonds, Series 2011

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Mary Kate Herbig
Acting Council Administrator

Date July 12, 2011

ENROLLED

Billy Bonifant
Council President

Date July 12, 2011

BY THE COUNCIL

Read the third time.

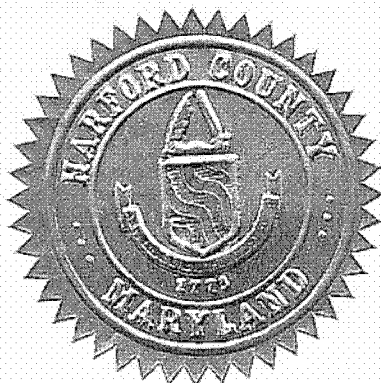
Passed: LSD 11-18

Failed of Passage: _____

By Order

Mary Kate Herbig
Acting Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 14th day of July, 2011 at 3:00 p.m.



Mary Kate Herbig
Acting Council Administrator

BY THE EXECUTIVE

David R. Craig
COUNTY EXECUTIVE

APPROVED: Date July 19, 2011

BY THE COUNCIL

This Bill No. 11-27 having been approved by the Executive and returned to the Council, becomes law on July 19, 2011.

EFFECTIVE DATE: September 19, 2011

Mary Kate Herbig
Mary Kate Herbig
Acting Council Administrator